

**U.S. Estimated Tax for
Nonresident Alien Individuals****1999****Purpose of This Package**

If you are a nonresident alien, use this package to figure and pay your estimated tax. Estimated tax is the method used to pay tax on income that is not subject to withholding.

Do not use the payment vouchers in this package to notify the IRS of a **change of address**. Instead, use **Form 8822**, Change of Address.

You can order Form 8822 and other forms and publications by writing to the Eastern Area Distribution Center, P.O. Box 25866, Richmond, VA 23286-8107, U.S.A. Or, if you have a computer and modem, use the World Wide Web and connect to www.irs.ustreas.gov. On the Internet, telnet to iris.irs.ustreas.gov or, for file transfer protocol services, connect to ftp.irs.ustreas.gov.

Who Must Make Estimated Tax Payments

Generally, you must make estimated tax payments if you expect to owe at least \$1,000 in tax for 1999 (after subtracting your withholding and credits) and you expect your withholding and credits to be less than the **smaller** of:

1. 90% of the tax on your 1999 tax return, or
 2. The tax shown on your 1998 tax return (105% of that amount if you are not a farmer or a fisherman and the adjusted gross income shown on the return is more than \$150,000 or, if married filing separately for 1999, more than \$75,000).
- For this purpose, include household employment taxes (before subtracting advance EIC payments made to your employee(s)) when figuring the tax shown on your tax return, if **either** of the following is true.
- You will have Federal income tax withheld from wages, pensions, annuities, or other income effectively connected with a U.S. trade or business, **or**
 - You would be required to make estimated tax payments to avoid a penalty even if you did not include household employment taxes when figuring your estimated tax.

Tax Law Changes Effective for 1999

Use your 1998 tax return as a guide in figuring your 1999 estimated tax, but be sure to consider the changes noted in this section. For more information on changes that may affect your 1999 estimated tax, see **Pub. 553**, Highlights of 1998 Tax Changes.

Modification of estimated tax safe harbor for some taxpayers. For 1999, the estimated tax safe harbor that is based on the tax shown on your 1998 tax return is 105% of that amount if you are not a farmer or a fisherman and the adjusted gross income shown on that return is more than \$150,000 or, if married filing separately for 1999, more than \$75,000.

Child tax credits. For 1999, the total of the child tax credit and the additional child tax credit can be as much as \$500 for each qualifying child.

Student loan interest deduction. The amount you may be allowed to deduct on your tax return for interest that is paid during 1999 on a qualified student loan has been increased to \$1,500.

IRA deduction restored for some people covered by retirement plans. You may be able to claim an IRA deduction for 1999 if you are covered by a retirement plan and your modified AGI is less than \$41,000 if single or married filing separately and you lived apart from your spouse for all of 1999; \$61,000 if qualifying widow(er).

Self-employed health insurance deduction. For 1999, the self-employed health insurance deduction is increased to 60% of health insurance expenses.

Section 179 expense deduction increased. For 1999, the deduction to expense certain property under section 179 generally has been increased to \$19,000.

Expanded rules for business use of a home. Beginning in 1999, the deduction for business use of your home has been expanded to include the part of your home regularly and exclusively used for the administrative or management activities of your business. But only if you have no other fixed location where you conduct substantial administrative or management activities (even if another fixed location is available).

To Figure Your Estimated Tax, Use:

- The **1999 Estimated Tax Worksheet** on page 3.
- The instructions below for the worksheet on page 3.
- The **1999 Tax Rate Schedule** on page 4 for your filing status.*
- Your 1998 tax return and instructions as a guide to figuring your income, deductions, and credits.

If you receive your income unevenly throughout the year (e.g., you operate your business on a seasonal basis), you may be able to lower or eliminate the amount of your required estimated tax payment for one or more periods by using the annualized income installment method. See **Pub. 505**, Tax Withholding and Estimated Tax, for details.

*If you are married, you must generally use Tax Rate Schedule Y. For exceptions, see **Pub. 519**, U.S. Tax Guide for Aliens.

Instructions for Worksheet on Page 3

Line 7—Additional Taxes. Enter the additional taxes from **Form 4972**, Tax on Lump-Sum Distributions, or **Form 8814**, Parents' Election To Report Child's Interest and Dividends.

Line 9—Credits. See the 1998 Form 1040NR, lines 40 through 44, and the related instructions.

Line 11—Other Taxes. Except as noted below, enter any other taxes, such as alternative minimum tax, tax on accumulation distribution of trusts, tax on a distribution from an MSA, and the tax on early distributions from (a) an IRA or other qualified retirement plan, (b) an annuity, or (c) a modified endowment contract entered into after June 20, 1988.

Include household employment taxes (before subtracting advance EIC payments made to your employee(s)) on line 11 if **either** of the following is true.

- You will have Federal income tax withheld from wages, pensions, annuities, or other income effectively connected with a U.S. trade or business, **or**
- You would be required to make estimated tax payments (to avoid a penalty) even if you did not include household employment taxes when figuring your estimated tax.

Do not include tax on recapture of a Federal mortgage subsidy, social security and Medicare tax on unreported tip income, or uncollected employee social security and Medicare or RRTA tax on tips or group-term life insurance. These taxes are not required to be paid until your income tax return is due (not including extensions).

Payment Due Dates

If you have wages subject to U.S. income tax withholding, you may pay all of your estimated tax by April 15, 1999, or in four equal amounts by the dates shown below:

1st payment April 15, 1999
 2nd payment June 15, 1999
 3rd payment Sept. 15, 1999
 4th payment Jan. 18, 2000*

If you **do not** have wages subject to U.S. income tax withholding, you may pay all of your estimated tax by June 15, 1999, or you may pay it in three installments. If you pay the tax in installments, $\frac{1}{2}$ is due by June 15, 1999, $\frac{1}{4}$ is due by September 15, 1999, and $\frac{1}{4}$ by January 18, 2000.*

*You do not have to make the payment due January 18, 2000, if you file your 1999 Form 1040NR or 1040NR-EZ by January 31, 2000, **AND** pay the entire balance due with your return.

We do not send notices reminding you to make your estimated tax payments. You **must** make each payment by the due date.

Even if you are not required to make an estimated tax payment by the first payment due date, you may meet the requirements to make estimated tax payments later. In this case, you should figure the amount of your estimated tax payments by using the annualized income installment method, as explained in Pub. 505. Although your payment due dates will be the same, the payment amounts will vary based on your income, deductions, additional taxes, and credits for the months ending before each payment due date. As a result, this method may allow you to skip or lower the amount due for one or more payments. If you use the annualized income installment method, be sure to file **Form 2210**, Underpayment of Estimated Tax by Individuals, Estates, and Trusts, with your 1999 tax return, even if no penalty is owed.

Fiscal year taxpayers. Due dates for fiscal year taxpayers are the 15th day of the 4th (if applicable), 6th, and 9th months of your current fiscal year, and the 1st month of the following fiscal year. If any date falls on a Saturday, Sunday, or legal holiday, use the next business day.

Amending Estimated Tax Payments

To change or amend your estimated payments, refigure your total estimated payments using the worksheet on page 3. Then use the worksheets under **Amended estimated tax** in Pub. 505 to figure the payment due for each remaining payment period.

When a Penalty Is Applied

In some cases, you may owe a penalty when you file your return. The penalty is imposed on each underpayment for the number of days it remains unpaid. A penalty may be applied if you did not pay enough estimated tax for the year, or you did not make the payments on time or in the required amount. A penalty may apply even if you have an overpayment on your tax return. The penalty may be waived under certain conditions. See Pub. 505 for details.

How To Complete and Use the Payment Voucher

There is a separate payment voucher for each due date. The due date is shown in the upper right corner. Please be sure you use the voucher with the correct due date for each payment you make. To complete your voucher:

- Type or print your name, address, and social security number (SSN) in the space provided on the voucher. If you do not have, and are not eligible to obtain, a social security number, enter your IRS-issued individual taxpayer identification number (ITIN). To apply for an ITIN, get **Form W-7**, Application for IRS Individual Taxpayer Identification Number.

(Continued on page 4)

Record of Estimated Tax Payments

(see above for payment due dates)

Payment number	(a) Date	(b) Check or money order number	(c) Amount paid	(d) 1998 overpayment credit applied	(e) Total amount paid and credited (add (c) and (d))
1					
2					
3					
4					
Total					

1999 Estimated Tax Worksheet—For Nonresident Alien Individuals (keep for your records)

1	Total expected 1999 income effectively connected with a U.S. trade or business. Caution: If this amount is over \$126,600 (\$63,300 if married filing separately), your itemized deductions and your deduction for exemptions may be limited. See Pub. 505 for details	1		
2	Enter itemized deductions (see the 1998 Form 1040NR or 1040NR-EZ instructions)	2		
3	Subtract line 2 from line 1	3		
4	Exemptions. Multiply \$2,750 by the number of exemptions claimed. (Residents of Canada, India, Japan, Republic of Korea, Mexico, and U.S. nationals, see the 1998 Form 1040NR or 1040NR-EZ instructions.)	4		
5	Subtract line 4 from line 3	5		
6	Tax. Figure your tax on the amount on line 5 by using the 1999 Tax Rate Schedules on page 4. DO NOT use the Tax Table or Tax Rate Schedules in the 1998 Form 1040NR or Form 1040NR-EZ instructions. Caution: If you have a net capital gain, see Pub. 505 to figure the tax	6		
7	Additional taxes (see instructions)	7		
8	Add lines 6 and 7	8		
9	Credits (see instructions). Do not include any income tax withholding on this line.	9		
10	Subtract line 9 from line 8. Enter the result, but not less than zero	10		
11	Other taxes (see instructions)	11		
12	Estimated 1999 tax on income effectively connected with a U.S. trade or business (add lines 10 and 11)	12		
13	Total expected 1999 income not effectively connected with a U.S. trade or business . 13			
14	Multiply line 13 by 30% or lower treaty rate (see the 1998 Form 1040NR instructions)	14		
15a	Add lines 12 and 14	15a		
b	Credit for Federal tax paid on fuels (from Form 4136) and additional child tax credit	15b		
c	Subtract line 15b from line 15a. THIS IS YOUR TOTAL 1999 ESTIMATED TAX ▶	15c		
16a	Multiply line 15c by 90% (66⅔% for farmers and fishermen) 16a			
b	Enter the tax shown on your 1998 tax return (105% of that amount if you are not a farmer or fisherman and the adjusted gross income shown on line 34 of that return is more than \$150,000 (\$75,000 if married filing separately for 1999) 16b			
c	Enter the smaller of line 16a or 16b. THIS IS YOUR REQUIRED ANNUAL PAYMENT TO AVOID A PENALTY . . . ▶ Caution: If you do not prepay (through income tax withholding and estimated tax payments) at least the amount on line 16c, you may owe a penalty for not paying enough estimated tax. To avoid a penalty, make sure your estimate on line 15c is as accurate as possible. Even if you pay the required annual payment, you may still owe tax when you file your return. If you prefer, you may pay the amount shown on line 15c. For more details, see Pub. 505.	16c		
17	Income tax withheld and estimated to be withheld during 1999 plus any amount paid with Form 1040-C	17		
18	Subtract line 17 from line 16c. (Note: If zero or less, or line 15c minus line 17 is less than \$1,000, stop here. You are not required to make estimated tax payments.)	18		
19	<ul style="list-style-type: none"> • If your first payment is due April 15, 1999, enter ¼ of line 18 (minus any 1998 overpayment you are applying to this installment) here and on your payment voucher(s). • If you do not have wages subject to U.S. income tax withholding and your first payment is due June 15, 1999, enter ½ of line 16c on your first voucher and ¼ of line 16c on your second and third vouchers. Reduce each installment by ⅓ of line 17 and any 1998 overpayment you are applying to the installment. Note: If you are not required to file the voucher due April 15 (or June 15), 1999, at this time, you may have to file by a later date. See Payment Due Dates on page 2.	19		

Tear off here

Form **1040-ES (NR)**
Department of the Treasury
Internal Revenue Service

1999 Payment
Voucher **4**

OMB No. 1545-0087

File only if you are making a payment of estimated tax. Return this voucher with check or money order payable to the **"United States Treasury."** Please write your identifying number and "1999 Form 1040-ES (NR)" on your check or money order. Do not send cash. Enclose, but do not staple or attach, your payment with this voucher.

Calendar year—Due Jan. 18, 2000

Amount of payment \$	Please type or print	Your identifying number (SSN or ITIN) (employer identification number for an estate or trust)	
		Your first name and initial	Your last name
		Address (number, street, and apt. no.)	
		City, state, and ZIP code. If a foreign address, enter city, province or state, and country. Include postal code.	

For Privacy Act and Paperwork Reduction Act Notice, see instructions on page 4.

• Enter on the payment line of the voucher only the amount you are sending in. When making payments of estimated tax, be sure to take into account any 1998 overpayment that you choose to credit against your 1999 tax, but do not include the overpayment amount on this line.

• Enclose your payment, making the check or money order payable to the "United States Treasury."

• Write your identifying number (SSN or ITIN) and "1999 Form 1040-ES (NR)" on your check or money order.

• Do not staple or attach your payment to the voucher.

• Mail your payment voucher to the Internal Revenue Service, P.O. Box 8318, Philadelphia, PA 19162-8318.

• Fill in the **Record of Estimated Tax Payments** on page 2 for your files.

If you changed your name and made estimated tax payments using your old name, attach a statement to the front of your 1999 income tax return. List all of the estimated tax payments you made for 1999, the address where you made the payments, and the name and identifying number under which you made the payments.

1999 Tax Rate Schedules

Caution: Do not use these Tax Rate Schedules to figure your 1998 taxes. Use only to figure your 1999 estimated taxes.

Schedule X—Single

If line 5 is:	But not over—	The tax is:	of the amount over—
Over—	Over—		
\$0	\$25,750	15%	\$0
25,750	62,450	\$3,862.50 + 28%	25,750
62,450	130,250	14,138.50 + 31%	62,450
130,250	283,150	35,156.50 + 36%	130,250
283,150	-----	90,200.50 + 39.6%	283,150

Schedule Y—Married filing separately

If line 5 is:	But not over—	The tax is:	of the amount over—
Over—	Over—		
\$0	\$21,525	15%	\$0
21,525	52,025	\$3,228.75 + 28%	21,525
52,025	79,275	11,768.75 + 31%	52,025
79,275	141,575	20,216.25 + 36%	79,275
141,575	-----	42,644.25 + 39.6%	141,575

Schedule Z—Qualifying widows and widowers

If line 5 is:	But not over—	The tax is:	of the amount over—
Over—	Over—		
\$0	\$43,050	15%	\$0
43,050	104,050	\$6,457.50 + 28%	43,050
104,050	158,550	23,537.50 + 31%	104,050
158,550	283,150	40,432.50 + 36%	158,550
283,150	-----	85,288.50 + 39.6%	283,150

Privacy Act and Paperwork Reduction Act Notice. The Privacy Act of 1974 and the Paperwork Reduction Act of 1980 require that when we ask you for information we must first tell you our legal right to ask for the information, why we are asking for it, and how it will be used. We must also tell you what could happen if we do not receive it and whether your response is voluntary, required to obtain a benefit, or mandatory under the law.

This notice applies to all papers you file with us. It also applies to any questions we need to ask you so we can complete, correct, or process your return; figure your tax; and collect tax, interest, or penalties.

Our legal right to ask for information is Internal Revenue Code sections 6001, 6011, and 6012(a) and their regulations. They say that you must file a return or statement with us for any tax for which you are liable. Your response is mandatory under these sections. Code section 6109 and its regulations say that you must provide your taxpayer identification number on what you file. This is so we know who you are, and can process your return and other papers.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as stated in Code section 6103.

We ask for tax return information to carry out the tax laws of the United States. We need it to figure and collect the right amount of tax. We may give the information to the Department of Justice and to other Federal agencies, as provided by law. We may also give it to cities, states, the District of Columbia, and U.S. commonwealths or possessions to carry out their tax laws. And we may give it to foreign governments because of tax treaties they have with the United States.

If you do not file a return, do not give the information asked for, or give fraudulent information, you may be charged penalties and be subject to criminal prosecution.

Please keep this notice with your records. It may help you if we ask you for other information. If you have any questions about the rules for filing and giving information, please call or visit any Internal Revenue Service office.

The time needed to complete the worksheets and prepare and file the payment vouchers will vary depending on individual circumstances. The estimated average time is: **Recordkeeping**, 40 min.; **Learning about the law**, 12 min.; **Preparing the worksheets and payment vouchers**, 59 min.; **Copying, assembling, and sending the payment voucher to the IRS**, 10 min. If you have comments concerning the accuracy of these time estimates or suggestions for making this package simpler, we would be happy to hear from you. You can write to the Tax Forms Committee, Western Area Distribution Center, Rancho Cordova, CA 95743-0001. **DO NOT** send the payment vouchers to this address. Instead, see **How To Complete and Use the Payment Voucher** on page 2.

File only if you are making a payment of estimated tax. Return this voucher with check or money order payable to the **"United States Treasury."** Please write your identifying number and "1999 Form 1040-ES (NR)" on your check or money order. Do not send cash. Enclose, but do not staple or attach, your payment with this voucher.

Calendar year—Due Sept. 15, 1999

Amount of payment \$	Please type or print	Your identifying number (SSN or ITIN) (employer identification number for an estate or trust)	
		Your first name and initial	Your last name
		Address (number, street, and apt. no.)	
		City, state, and ZIP code. If a foreign address, enter city, province or state, and country. Include postal code.	

For Privacy Act and Paperwork Reduction Act Notice, see instructions on page 4.

Tear off here

File only if you are making a payment of estimated tax. Return this voucher with check or money order payable to the **"United States Treasury."** Please write your identifying number and "1999 Form 1040-ES (NR)" on your check or money order. Do not send cash. Enclose, but do not staple or attach, your payment with this voucher.

Calendar year—Due June 15, 1999

Amount of payment \$	Please type or print	Your identifying number (SSN or ITIN) (employer identification number for an estate or trust)	
		Your first name and initial	Your last name
		Address (number, street, and apt. no.)	
		City, state, and ZIP code. If a foreign address, enter city, province or state, and country. Include postal code.	

For Privacy Act and Paperwork Reduction Act Notice, see instructions on page 4.

Tear off here

File only if you are making a payment of estimated tax. Return this voucher with check or money order payable to the **"United States Treasury."** Please write your identifying number and "1999 Form 1040-ES (NR)" on your check or money order. Do not send cash. Enclose, but do not staple or attach, your payment with this voucher.

Calendar year—Due April 15, 1999

Amount of payment \$	Please type or print	Your identifying number (SSN or ITIN) (employer identification number for an estate or trust)	
		Your first name and initial	Your last name
		Address (number, street, and apt. no.)	
		City, state, and ZIP code. If a foreign address, enter city, province or state, and country. Include postal code.	

For Privacy Act and Paperwork Reduction Act Notice, see instructions on page 4.

